

AG Contract No.: KR06-0047
ADOT ECS File No.: JPA 05-056
TRACS: H6838 01X
Project No.: 1010-A-901
Section: I-10 Desert Creek TI
Budget Source Item No.: TBD

AGREEMENT

BETWEEN
THE STATE OF ARIZONA
AND
PACWEST MANAGEMENT LLC.

THIS AGREEMENT is entered into this date 18th of April 2006, between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State") and PACWEST MANAGEMENT LLC, an Arizona limited liability company (the "Developer").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-401 to enter into this Agreement and has delegated to the undersigned the authority to execute this Agreement on behalf of the State.
2. PacWest Management LLC is empowered to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Developer.
3. The Developer is developing a master planned community called Desert Creek located approximately at 323rd Avenue and Interstate 10. The land use plan is designed with one of its primary access points at a proposed Interstate interchange, located at Mile Post 105.3, in the vicinity of Buckeye Arizona. The Developer, as part of the Developer's project, will fund the design and construction costs for a "Proposed Interchange" and provide all the required preliminary design and environmental documents associated with a Change of Access as required by FHWA and ADOT.
4. Nothing herein shall be construed to impose an obligation on the State to construct or in any way fund the Proposed Interchange. The Developer has assured the State that Developer has the ability and will continue to have the ability to provide the funds necessary to process the Change of Access.

THEREFORE, in consideration of the mutual covenants expressed herein, it is further agreed as follows:

NO. 28180

Filed with the Secretary of State

Date Filed: 4-18-06

[Signature]
Secretary of State

By: [Signature]

II. SCOPE OF WORK

1. The Developer Shall:

a. Prepare a Change of Access Report, to State standards, referenced in paragraph (3) and in accordance to FHWA requirements, including design and other documentation required in connection with the Change of Access Report.

b. Be responsible for all costs associated with the design and environmental reports required in connection with the Change of Access Report, including but not limited to the following:

Change of Access Report
Categorical Exclusion Environmental Document
Geotechnical Memorandum
Drainage Report
Design Concept Report
Traffic Report

c. The Developer has deposit \$30,000.00 with the State under tracs number H6838 01X, which is the estimated cost for the State's review of; (i) the engineering and environmental studies/documents required as a part of the Change of Access Report, and (ii) the Change of Access Report.

d. Following the final disposition of the Change of Access Report by the FHWA, and a final accounting of the review costs by the State, be responsible for review costs in excess of \$30,000.00.

2. The State Shall:

a. Review all design documents, environmental documents and other documents required by the FHWA in connection with the Change of Access Report and provide timely written comments to Developer.

b. Following final disposition of the Change of Access Report by the FHWA, conduct a final accounting of the review costs and either invoice the Developer for the amount due to the State in excess of \$30,000.00 or return to Developer all unused funds

III. MISCELLANEOUS PROVISIONS

1. This Agreement shall remain in full force and effect until final disposition of the Developer's Change of Access Report by FHWA and ADOT.

2. Should Developer fail to fulfill the obligations set forth in this Agreement or withdraw its Change of Access Report for whatever reason, Developer shall be responsible for all costs incurred by the State up to the time of withdrawal, unless the reason for Developer's failure or cancellation is due to the State's failure to comply with its obligations hereunder.

3. This Agreement shall become effective upon signature of the parties hereto.

4. This Agreement may be cancelled in accordance with Arizona Revised Statutes Sections 38-511.

5. In the event of any controversy, which may arise out of this Agreement, the parties hereto agree to abide by required arbitration as is set forth for public works contracts in Arizona Revised Statutes Sections 12-1518

6. The provisions of Arizona Revised Statues Section 35-214 are applicable to this contract.

7. This Agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. The parties to this Agreement shall comply with Executive Order Number 99-4 issued by the Governor of the State of Arizona and incorporated herein by reference regarding "Non-Discrimination".

8. All notices or demands upon any party to this agreement shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17th Avenue, Mail Drop 616E
Phoenix, AZ. 85007 FAX (602) 712-7424

PacWest Management LLC
911 Hildebrand Lane, NE Suite 203
Bainbridge Island, WA 98101
Att: Timothy Nyberg, Project Manager

9. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this Agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written

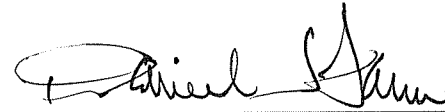
PACWEST MANAGEMENT LLC

STATE OF ARIZONA
Department of Transportation

By

 — Manager

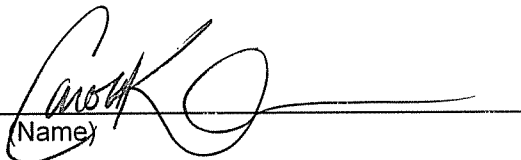
By



DANIEL S. LANCE P.E.,
Deputy State Engineer Valley Transportation

ATTORNEY SIGNATURE

By


(Name)

BRUCE C GALLOWAY
BUCKEYE 1680
206-780-9989
203 PARFITT WAY SW. STE. 200
BAINBRIDGE ISLAND, WA 98110

WELLS FARGO BANK
Washington
wellsfargo.com
19-854/1250

6117

7/13/2005

PAY TO THE ORDER OF AZ Department of Transportation

\$**30,000.00

Thirty Thousand and 00/100*****

DOLLARS

AZ Department of Transportation
206 S 17th Ave
Phoenix, AZ 85007

H6838 01X

MEMO ADOT Proj. # I-010-A-901/ TRACS # 010 MA 105 H6838 01X

006117 1250085471 1707659577

206 S. 17th Avenue, Room 1001
Phoenix, AZ 85007-3213

RE: Letter of Intent
I-10/Desert Creek Traffic Interchange
Design Concept Study and Categorical Exclusion
ADOT Project No. I-010-A-901
ADOT TRACS No. 010 MA 105 H6838 01X

Dear Director Mendez:

Pacific West Development, LLC intends to build a new Traffic Interchange on I-10 near milepost 105.3 in order to provide access to our 2234-acre development called Desert Creek, which is primarily located south of I-10 on the western edge of Buckeye, Arizona.

We are providing direct funding for this effort and have retained the services of AZTEC Engineering to prepare and/or coordinate the completion of the following Pre-design documents:

- Traffic Report
- Categorical Exclusion Environmental Document
- Geotechnical Memorandum
- Drainage Report
- Design Concept Report
- Change of Access Report

We expect that AZTEC will be prepared to submit the Pre-design documents by November of 2005. If the documents are approved without undue delay, we expect that construction would begin in Q2 of 2007. The estimated cost for construction of the traffic exchange is 12 million dollars.

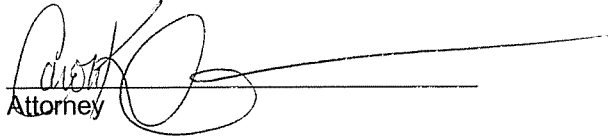
Enclosed is a check for \$30,000 for costs that will be associated with coordinating and reviewing the Pre-design documents listed above by personnel associated with the Arizona Department of


AGREEMENT JPA No. 05-056
ATTORNEY APPROVAL FORM

PACWEST MANAGEMENT, LLC

I have reviewed the above referenced Agreement between the DEPARTMENT OF TRANSPORTATION, INTERMODAL TRANSPORTATION DIVISION, and PACWEST MANAGEMENT LLC, declare that this Agreement is within the powers and authority granted to PACWEST MANAGEMENT, LLC under the laws of the State of Washington. No opinion is expressed as to the authority of the State to enter into this Agreement.

DATED this 21 day of March, 2006.


Attorney

<p>TERRY GODDARD Attorney General</p>	<p> OFFICE OF THE ATTORNEY GENERAL STATE OF ARIZONA</p>	<p>CIVIL DIVISION TRANSPORTATION SECTION Writer's Direct Line: 602.542.8855 Facsimile: 602.542.3646 E-mail: Susan Davis@azag.gov</p>
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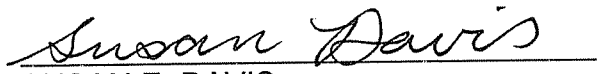
AGREEMENT
DETERMINATION

A.G. Contract No. KR06-0047TRN (**JPA 05-056**), an Agreement between The State of Arizona and Pacwest Management, LLC, has been reviewed pursuant to A.R.S. § 28-401, by the Undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining Parties, other than the State or its agencies, to enter into said Agreement.

DATED: April 11, 2006

TERRY GODDARD
Attorney General


SUSAN E. DAVIS
Assistant Attorney General
Transportation Section

SED:mjf:955606
Attachment